WANT 50 PER CENT. A YEAR?

WITH A PROSPECT OF 100 PER CENT. IF YOU'D RATHER?

This Is What Mr. Bates Offers to Those Who Are Apt to Buy Colorado-Yule Marble Stock—Nothing Like It, He Says, in the History of the World So Far.

From the office of the Fidelity Bond and Mortgage Company at 2 West Thirty-third street, opposite the Waldorf-Astoria, Charles Austin Bates is sending out some letters to sound sentiment on the attractiveness of a proposition which looks like a 100 per cent. a year in the near future. [illegible]

This is the letter which Mr. Bates is sending out:

[illegible]

The tangible assets are ten times greater than the capitalization of the company. The cost of our product per unit is [illegible]

We sell it for over $4.

We have already sold more than two million dollars worth and are making deliveries every day.

There is a demand for all we can produce and our capacity is now sold for six months ahead.

Our product is a staple and has been so for more than one thousand years.

The demand has always been in excess of the supply.

[illegible]

CHARLES AUSTIN BATES, President.

[illegible]

day Mr. Bates said that this was pretty nearly like putting 372 nice yellow backed $1,000 bills on a silver tray "with a bunch of violets on the side" and thrusting tray and all at you in return for your $600 check. In 1907 the capitalization was increased in order to provide for some preferred stock for Mr. Bates to sell. The price of this stock, his 1907 letter said, was $75 a share if you wanted a whole lot of it. But if you were in the timid class and would only take just one share he would sell that one share for $60. One of these circulars said then:

I would prefer that you buy not more than one share at any price until you have convinced yourself of the possibility of 75 per cent. dividends on your $60 share and of the certainty, so far as there is certainty in anything controlled by human beings, that the company must within the next few months be earning dividends at the rate of from 20 per cent. to 35 per cent. on its entire capital stock at par.

Of course a 3 per cent. dividend in 1911 is a long way from a 35 per cent. dividend in 1907, but it was just a little mistake in figuring on that surface marble and other things, according to Mr. Bates. When the reporter reminded Mr. Bates that once he had sold bonds in a coal company that were just on the point of returning a cash income of 50 per cent. on the investment and with a bonus of stock that ought to pay the same, neither of which had made good, Mr. Bates said that it was all because of the low price of soft coal. "But a lot of people still have these bonds and are satisfied," he added, and went on to assure the reporter that New York and all other markets were open to Colorado-Yule and just longing for it. Also he explained that the Knickerbocker Syndicate had disappeared or been merged in the Fidelity Bond and Mortgage Company, which, if it has any money on hand of its $1,320,000 capital and surplus, may buy your marble stock from you if you're foolish enough to be looking for a purchaser.

MO. P. $5,000,000 BEHIND.

Big Deficit on the Biggest of the Gould Roads—Explanations.

The Missouri Pacific Railway Company reports for the year ended June 30 a deficit of $5,233,000. In the previous fiscal year the books showed a surplus of $2,750,000. Last year's deficit was not increased by the payment of dividends. The company has paid no dividends since 1908 and then only a stock dividend.

"The major part of the deficit," the report says, "arises from unadjusted claims and the settlement of judgment suits of previous years, together with a readjustment of a previous overvaluation of working assets. A portion is also owing to the increase in the rates of pay of trainmen and all other classes of labor, which after mediation and arbitration this company conceded in 1910."

President Bush, however, holds out hope for the future. He says that in the year covered by the report 343 new industries were established on the company's lines and $9,741,000 invested, giving promise of 122,385 carloads of business annually. Mr. Bush also says:

The education of the farming communities contiguous to these lines of railroads in the cultivation of the soil, the rotation of crops, the use of better seed, the best methods of combating the ravages of insects and other matters beneficial to the growth of crops and development of the farm industries is being carried on with good results. The attention of prospective settlers is being directed to the advantages of the unoccupied land along the system, with the result that it is being continually taken up, cultivated and made productive.

Otherwise Mr. Bush finds conditions good enough. Average crops, he says, have been harvested in Missouri Pacific territory. The company still has a surplus of $9,148,000.

RATES ON BITUMINOUS COAL.

Interstate Commission Resumes Hearings on Proposed Increases.

WASHINGTON, Sept. 20.—The Interstate Commerce Commission resumed to-day the hearing on the subject of proposed increases in freight rates on bituminous coal from the Pocahontas and other West Virginia coal fields to the lakes.

The carriers, some eighty-nine in number, among them all the coal carrying roads in the eastern part of the country, gave notice nearly a year ago of their intention to increase the rates from the West Virginia fields to the lakes from 10 to 15 cents a ton. The coal operators appealed to the commission, which suspended the proposed increases pending an investigation into their reasonableness. The operators contend that if the present differential between rates from West Virginia, Ohio and Pennsylvania fields to the lakes is widened the operators in the two last named fields will be enabled to undersell the West Virginia operators and thus secure the market.

All of to-day's session was occupied by C. W. Hillman, an expert statistician employed by the West Virginia operators. He explained to the commission a series of tables and other statistics purporting to show the cost of carrying freight and passengers. He contended that the present rates charged by the carriers are more than compensatory. C. Jones Rixey, Jr., counsel for the Norfolk and Western Railway, in cross-examining Mr. Hillman said that all of Hillman's figures were largely conjecture, guesswork and approximation and that it was even difficult for the carriers themselves to allocate expenses and cost of service. The Norfolk and Western Railway, the Chesapeake and Ohio Railway, the Baltimore and Ohio, the Western Maryland and the Pennsylvania Railroad are the chief defendants in the proceedings.

STATE FEDERATION OF LABOR

Will Hold Legislators Responsible for Failure to Enact 54 Hour Bill.

OSWEGO, Sept. 20.—The State Federation of Labor, in convention here today, sent letters to the Governor and legislative leaders expressing chagrin and disappointment at the failure of the present Legislature to enact the fifty-four hour labor bill and the concurrent resolution to provide for a workingmen's compensation act into law. These bills, it is declared, are slumbering in the Senate committees. The resolution concludes:

"We are determined to hold responsible the dominant influence in the Legislature of 1911 if you ignore our requests. Our constituents are your constituents; our members are voters. Feeling our responsibility to the millions of workingmen we represent we shall be compelled to adopt radical and farreaching measures if necessary to secure this beneficial legislation."

Resolutions were also adopted favoring the campaign against tuberculosis. State Engineer Benzel, Miss Leonara Reilly and Assemblyman C. W. Phillips of Rochester were speakers at a meeting to-night.

DEFICIT DUE TO BAD CROP.

Soo Line Lost Money in the Year Ended Last June.

A decrease of $2,271,271 in the gross earnings of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company for the year ended June 30 last is accounted for by the almost total failure of the grain crop in 1910 in North Dakota and parts of Minnesota. Therefore, although the operating expenses increased only a small amount, the net earnings from operation were only $4,759,913, a decrease of $2,528,944. After payment on common and preferred dividends there is a deficit of $355,933, as compared with a surplus for 1910 of $2,508,762. The total surplus is $9,957,911.

The report says: "While the grain crop now being harvested along the company's lines is not so bountiful as promised early in the season, it is nevertheless considerably in excess of that of 1910 and should make possible a more favorable report for the current fiscal year."

Gross earnings for the Wisconsin Central (the Chicago division of the Soo line) show a drop in the gross earnings of $112,379 to $8,749,452 for the year. The net earnings are $2,212,807, a decrease of $812,432. The deficit after payment of the dividends is $681,967.

STEEL WAGES MAY BE CUT

POSSIBILITY IN CASE PRICES KEEP ON DECLINING.

Some Manufacturers Believe That Labor Will Share Hardships of the Trade—Larger Interests Not So Prophesying as Yet—No Improvement Noted.

Possibility of wage reductions in the steel industry is noticed in the iron and steel trade journals issued to-day. Continued decline in prices may compel wage reductions, though at present general cuts in wages are not imminent in the big concerns. The volume of new business shows no marked change. The *Iron Age* says:

Taking the steel industry as a whole the past week has brought little change in volume of orders or in prices. Rumors of further cuts on this or that product have been sifted down to what the trade has known well for weeks, that there is actually an open market in iron and steel.

The possibility of lower wages at steel works and rolling mills is being very seriously discussed. In 1909 10 per cent. reductions were made by the independent producers a few weeks after the price cuts of February; but the market broadened so rapidly under the lower prices for finished material that prices rebounded and the old wages were soon restored. Conditions attending the present open market do not point to a repetition of the course of prices in 1909, and in the opinion of some manufacturers it is inevitable that labor will share in the hardships the trade is undergoing. The wire trade appears to stand alone in the effort to establish higher prices.

In the central West while the 1.20c. Pittsburg basis for steel bars is commonly maintained some good transactions have been put through at 1.15c., while further west the use of a Chicago basing price is more general, resulting in sales that with an 18c. freight deducted would represent 1.10c. Pittsburg.

The Iron Trade Review says:

Price concessions continue to be made in practically all lines of finished products and have considerably disturbed the market for both buyers and sellers. There is an air of expectancy that some action may soon be taken to clarify the situation, which is extremely unsatisfactory to leading independent interests.

The volume of new business is showing no marked shrinkage and mill operations are maintained, those of the United States Steel Corporation continuing about 75 per cent. of capacity. General wage reductions in the iron and steel industry are not matters of immediate concern at this time for the great body of manufacturers, and it can be stated with authority that this question has not been considered by some of the larger interests. If steel prices continue to decline, however, wage adjustment will probably be a logical development.

BUSINESS ON COAL ROADS.

Reading and Lehigh Valley Report Less Profit Than in 1910.

The Reading Company, which owns the stock of the Philadelphia and Reading Railroad and of the Philadelphia and Reading Coal and Iron Company and controls the Central Railroad Company of New Jersey, reports for the fiscal year ended June 30 surplus earnings equal to 12.12 per cent. on the common stock as compared with 14.35 per cent. in the year before. The surplus was $2,840,000 less than in the year ended June 30, 1910. President George F. Baer's remarks on the year's business are entirely perfunctory and he ventures neither prophecy on the railroad business nor comment on rates.

Lehigh Valley reports for the same period earnings equal to 14 per cent. on the common stock as compared with 20 per cent. in the previous year. President Thomas discusses the conditions responsible for the decrease in earnings at some length He says in part:

The operations for the year have felt the full effect of the higher rates of wages paid employees. To this single factor may be ascribed almost entirely the increase in operating expenses apart from that naturally resulting from the transportation of a greater volume of traffic. As was mentioned in the last annual report, the principal increases granted to the various classes of labor employed by your company were not effective until the latter months of that year and so cause an unfavorable comparison of the present year's operation with the past. Then too it must be recognized that the higher standard of present day operations injects greater costs into the expense of transportation. The demands of the public are most exacting in the matter of equipment, time, facilities and service generally, which in view of the keen competition prevailing must be met. Although the additions and betterments made to the property, together with various improvements and economies in the method of transportation, have been of benefit in holding the cost of operations in check, they were not in themselves sufficient to offset the increase in the cost of labor.

RAILROAD RATES STAND.

Interstate Commission Declines to Suspend Proposed Reductions.

WASHINGTON, Sept. 20.—The Interstate Commerce Commission to-day declined to suspend, pending an investigation, decreases in freight rates on flour made by the St. Paul, Minneapolis & Omaha Railway.

The railroad named has placed on file with the commission a reduction of rates on flour from 23 cents a hundred pounds to 21½ cents, effective Oct. 5. Eastern carriers in trunk line territory protested to the commission against the decrease and asked permission to withdraw their concurrences in the proposed tariffs on short notice. The Eastern lines assert in their protest that the reduced rate will result in much loss of revenue to them because the reductions will necessarily be followed by reductions in rates from related points. The new rates affect shipments of flour from Minnesota points, rail and lake via Duluth to New York and rail and lake via Chicago to New York. The commission says:

"The commission declines to permit the Eastern lines to withdraw their concurrences in the tariff on short notice for the reason that such action would withdraw the through routes and cause shipments to move on combinations of local rates, resulting in much higher charges than are now effective, a condition which would be worse than that complained of."

The rates will therefore become effective on Oct. 5, the commission declining to suspend them.

BUSINESS TROUBLES.

Court Doesn't See How a $20,000 Business Lost $12,500 in a Year.

Judge Hough has denied a discharge from bankruptcy to Dallin & Pachner, wholesale dealers in woollens, formerly at 235 Grand street, on objections by Henry H. Kaufman for a creditor. The Judge found that the firm in less than a year went from a surplus of $12,000 to an admitted deficit of $500, or a loss of $12,500 on a volume of business of $20,000, and failed to explain satisfactorily. The Judge says: "A business of $20,000 a year simply cannot lose $12,500 during the same year without experiences of such extraordinary and unexampled nature as to render forgetfulness impossible."

Dr. Isaac Rich of 1380 Prospect avenue has filed a petition in bankruptcy with liabilities $6,559 and assets $268 in outstanding accounts for professional services. Dr. Rich was recently sued by two small creditors and he obtained an order from Judge Hough yesterday restraining further prosecution of these suits for a year.

GOSSIP OF WALL STREET.

There is a good deal of argument going on around the Street in regard to the possibility of a large liquidation in labor by the chief manufacturers of iron and steel in this country. When will the liquidation begin? Will the independents lead off? Will they reduce forces and cut wages more drastically than they did in the price war of 1909 or will they satisfy themselves with less retrenchment? And above all will the Steel Corporation follow that lead if it is made? [illegible]

[illegible]

[illegible]

FINANCIAL NOTE.

[illegible]

RAILROAD EARNINGS.

[illegible]

MARINE INTELLIGENCE.

MINIATURE ALMANAC THIS DAY.

[illegible]

OUTGOING STEAMSHIPS.

[illegible]

INCOMING STEAMSHIPS.

[illegible]

By Marconi Wireless.

[illegible]

NO GROUT SUBPŒNA.

Brooklyn Committee Fails to See Gov. Dix on Visit to Albany.

ALBANY, Sept. 20.—The committee representing the depositors of the defunct Union Bank of Brooklyn called at the Executive Chamber to-day to urge Gov. Dix to use the power of the Chief Executive to get a subpoena for the appearance of Edward M. Grout regarding the bank's affairs. The committee, consisting of Dr. E. J. Rohrer, John Wooden, Henry Nieland and James H. Tracy, were accompanied by Assemblyman Goldstein. They were unable to see the Governor, and later conferred with Attorney-General Carmody about the matter when Gov. Dix was out of Albany.

Attorney-General Carmody expects to advise the Governor not to issue a subpoena for Grout.